



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: November 11, 2008

TO: Finance Committee

FROM: Administration Division, Finance Department

SUBJECT: Update On The Airport Terminal Project And Financing Plan

RECOMMENDATION:

That the Finance Committee receive an update on the status of the Airport Terminal Project and financing plan.

DISCUSSION:

The Airport Terminal Project, at an estimated cost of over \$70 million, will be one of the largest capital projects ever undertaken by the City. While a significant portion of the project cost will be paid for with federal grant funds from the Federal Aviation Administration, the majority of the project cost will be funded by the issuance of over \$55 million in debt. With bids for construction of the Terminal Project tentatively due to be opened on December 4th and the sale of the bonds tentatively scheduled for the second week of December, staff would like to update the Finance Committee on the project status and schedule; the anticipated structure, terms and schedule of the bond financing; the impact of the credit market disruptions on the bond issue, as well as financial projections for the Airport Fund which demonstrate the ability of the Airport Fund to support the debt service on the bonds.

The presentation to the Finance Committee will be followed on November 18th with a similar presentation to the full Council. According to the financing schedule, on November 25th, staff will seek Council approval of the bond documents and resolutions required to proceed with the financing. Council approval of these documents and resolutions will authorize, but not obligate, staff to proceed with the financing. The final decision to proceed with the financing will await the opening of the construction bids on December 4th. If the construction bids are within expectations and the bond market cooperates, the bonds will be sold during the week of December 8th.

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office